

## Message Text

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ACTION OES-06

INFO OCT-01 IO-13 ISO-00 PM-04 FEA-01 ACDA-07 CIAE-00

INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05 DODE-00 AF-08

ARA-06 EA-07 EUR-12 NEA-10 /102 W

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R 101748Z SEP 76

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 8088

INFO USERDA WASHDC

USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 1 OF 2 IAEA VIENNA 7591

DEPT PASS IO/SCT

EO 11652: GDS

TAGS: PARM TECH

SUBJECT: SEPTEMBER 3, 1976, MEETING OF NPT EXPORTERS (ZANGGER)  
COMMITTEE

REFS: (A) IAEA VIENNA 7310, (B) IAEA VIENNA 6903,  
(C) STATE 217773, (D) BERNE 3867

SUMMARY: WITH ALL BUT TWO MEMBERS ATTENDING,  
NPT EXPORTERS COMMITTEE, IN TWO-HOUR SESSION,  
ADOPTED AGENDA FOR MEETING OCT. 28. SUBSEQUENT  
DISCUSSIONS RAISE QUESTION OF WHETHER OCT. 28  
MEETING SHOULD BE LIMITED TO SIMPLY HARMONIZING  
COMMITTEE'S "TRIGGER LISTS" OF MATERIALS AND  
EQUIPMENT WITH THOSE OF NSG, AND AVOID TAKING  
DECISION OF EXPANDING SCOPE OF ITS PROCEDURES  
AND PRINCIPLES EMBODIED IN MEMORANDA, BEYOND  
THOSE DERIVED DIRECTLY FROM NPT ARTICLE III.2.

ACTION REQUESTED: EARLY CONSULTATIONS BY  
DEPT WITH CANADA AND LATER WITH OTHER  
MEMBERS OF COMMITTEE. END SUMMARY.

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2. COMMITTEE MET FOR TWO HOURS MORNING SEPT. 3, PARTICIPATING MEMBERS WERE AUSTRALIA, AUSTRIA, BELGIUM, CANADA, CZECHOSLOVAKIA, GDR, DENMARK, FINLAND, FRG, IRELAND, JAPAN, NETHERLANDS, NORWAY, POLAND, SWITZERLAND, SWEDEN, UK, US, AND USSR. ABSENT MEMBERS WERE HUNGARY AND LUXEMBOURG. ALTHOUGH NOT A MEMBER OF COMMITTEE, ITALY ALSO WAS REPRESENTED AT MEETING (SEE PARA 13 BELOW).

3. QUESTION WAS RAISED AS TO WHAT CRITERIA DETERMINES MEMBERSHIP IN COMMITTEE. FACTORS CONSIDERED BY CHAIRMAN (ZANGGER) WERE WHETHER OR NOT GOVERNMENT (A) HAD EXCHANGED WITH OTHER MEMBERS CONFIDENTIAL UNEXPURGATED MEMORANDA UNDER COVER OF APPROPRIATE DIPLOMATIC NOTES, AND (B) HAD COMPLIED WITH REQUIREMENTS OF THE MEMORANDA SUCH AS SUBMITTING ANNUAL REPORTS OF EXPORTS. IN ADDITION, SOME GOVERNMENTS MEETING CRITERIA (A) AND (B) ALSO

HAD MADE PUBLIC EXPURGATED MEMORANDA BY LETTERS TO THE IAEA DIRECTOR GENERAL.

4. SECRETARY, PRIOR TO NEXT MEETING, WILL PREPARE A SUMMARY SHEET OF ZANGGER COMMITTEE STATUS, INCLUDING LIST OF MEMBERS AND INDICATING THOSE WHICH HAVE EXCHANGED DIPLOMATIC NOTES, THOSE WHICH HAVE SENT LETTERS TO THE IAEA AND THOSE WHICH HAVE SUBMITTED ANNUAL REPORTS.

5. IN A DISCUSSION OF FUTURE OF COMMITTEE, ITALIAN DEL REQUESTED DOCUMENT BE PREPARED FOR CONSIDERATION AT OCTOBER 28 MEETING WHICH WOULD COMPARE RULES AND PROCEDURES OF LONDON GROUP WITH RULES AND PROCEDURES OF NPT EXPORTERS COMMITTEE. CONCERN WAS EXPRESSED ABOUT CONFIDENTIALITY AND INFORMALITY OF LONDON GROUP'S EFFORTS, AND IT WAS SUGGESTED THAT VARIOUS STATEMENTS WHICH HAVE BEEN MADE IN PUBLIC BY DIFFERENT MEMBER COUNTRIES COULD CONSTITUTE BASIS FOR ANY COMPARISON BETWEEN LONDON GROUP AND NPT EXPORTERS COMMITTEE. UK DEL CONFIDENTIAL

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SLATER THOUGHT UK DEL COULD COLLATE PUBLIC STATEMENTS FROM THOSE MEMBERS (E.G. UK, US AND CANADA) WHICH HAD MADE THEM.

6. CANADIAN DEL, HAYNAL, SUGGESTED THAT SUMMARY OF RECENT NEW FEATURES APPEARING IN IAEA SAFEGUARDS AGREEMENTS WOULD BE USEFUL FOR NPT EXPORTERS COMMITTEE. HE WAS REFERRING TO FEATURES GOING BEYOND THE NPT,

INFRICR/153, AND NPT EXPORTERS COMMITTEE MEMORANDA, INCLUDING EXPORT OF TECHNOLOGY, DURATION MATTERS SUCH AS CONTAINED IN GOV/1621, PHYSICAL PROTECTION UNDERTAKINGS, ETC. HE SAID GOC WOULD PREPARE SUCH A DOCUMENT AND ALSO A SECOND ONE ON SUGGESTED AMENDMENTS TO THE NPT EXPORTERS COMMITTEE MEMORANDUM WHICH WOULD LOGICALLY ARISE OUT OF THE FIRST AND WOULD COVER NOT ONLY MODIFICATIONS TO THE TRIGGER LIST, BUT ALSO THE PARAGRAPHS ON PROCEDURAL MATTERS. (SEE PARA 16 BELOW)

7. CHAIRMAN SUGGESTED COMMITTEE MEMBERS BE PREPARED TO DISCUSS FOLLOWING QUESTIONS AT MEETING SCHEDULED FOR OCTOBER 28:

(A) "WHAT SHOULD BE STATUS OF THE ZANGGER COMMITTEE VIS-A-VIS THE LONDON CLUB?"

(B) "WHAT SHOULD BE OBJECTIVES OF ZANGGER COMMITTEE VIS-A-VIS OBJECTIVES OF LONDON CLUB?"

(C) "SHOULD BOTH GROUPS CO-EXIST WITH DIFFERENT

OBJECTIVES".

(D) SHOULD BOTH GROUPS TEND TO MERGE TOWARD ACHIEVING COMMON OBJECTIVES OVER SOME TIMEFRAME?"

8. UK DEL SLATTER REQUESTED THAT THE MINUTES OF THE MEETING NOT REFLECT SUCH SPECIFICITY ABOUT THE "LONDON CLUB" WHEREUPON THE CHAIRMAN SUGGESTED THAT ALL FOUR CONFIDENTIAL

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QUESTIONS COULD BE REDUCED TO ONE SINGEL QUESTION, THEREBY AVOIDING PROBLEM RAISED BY SLATER: "WHAT SHOULD BE FUTURE OF ZANGGER COMMITTEE?"

9. AGENDA FOR THE OCTOBER 28 MEETING WILL BE AS FOLLOWS:

- (A) INTRODUCTION
- (B) REVIEW OF PAST OPERATIONS
- (C) FUTURE ACTIVITIES
  - STATUS AND OBJECTIVES OF COMMITTEE
  - REVIEW OF TRIGGER LISTS
  - REVIEW OF PROCEDURES

10. ZANGGER ANNOUNCED THAT HE WOULD BE AVAILABLE

ONLY FOR ONE DAY MEETING OCT. 28, AND IF DECIDED  
AT END OF DAY TO MEET NEXT DAY, COMMITTEE SHOULD  
APPOINT ACTING CHAIRMAN.

11. FOLLOWING THE MEETING, SOVIET DEL MISHARIN EXPRESSED  
SERIOUS CONCERN TO USDEL THAT ONE DAY (OCT. 28) WOULD  
NOT POSSIBLY BE SUFFICIENT TO REACH DECISIONS ON  
ALL ITEMS ON AGENDA. SEPARATELY, SWEDISH  
DEL LARSON ALSO EXPRESSED CONCERN THAT DETAILS COULD  
NOT BE COVERED IN SUCH BRIEF MEETING. IT SEEMS CLEAR  
THAT FAIRLY EXTENSIVE CONSULTATIONS WILL HAVE TO  
TAKE PLACE PRIOR TO THE OCT. 28 MEETING TO COVER  
THE DETAILS AND ARRIVE AT GENERAL AGREEMENT AS TO  
OUTCOME.

12. HAYNAL DID NOT RELEASE CANADIAN COMBINED LISTS  
DOCUMENT CITED REF (C). AS RESULT OF DISCUSSION  
WITH ZANGGER AND SLATER AND USDEL, HE DECIDED TO  
DEFER DISTRIBUTION AND TO REVISE IT IN OTTAWA AND

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ACTION OES-06

INFO OCT-01 IO-13 ISO-00 PM-04 FEA-01 ACDA-07 CIAE-00

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ARA-06 EA-07 EUR-12 NEA-10 /102 W  
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R 101748Z SEP 76  
FM USMISSION IAEA VIENNA  
TO SECSTATE WASHDC 8089  
INFO USERDA WASHDC  
USERDA GERMANTOWN

C O N F I D E N T I A L SECTION 2 OF 2 IAEA VIENNA 7591

DISTRIBUTE IT FROM THERE. MISSION STRONGLY  
RECOMMENDS DEPARTMENT CONSULT GOC ON THAT  
REVISION.

13. THE QUESTION OF ATTENDANCE AT OCT. 28 MEETING

IS ONE WHICH WILL REQUIRE ATTENTION. QUESTION  
WAS NOT RPT NOT HANDLED WELL EITHER BY  
ZANGGER OR SLATER (WHO INCLUDED ITALY AMONG  
THOSE SENT NOTICES OF SEPT. 3 MEETING, BUT  
EXCLUDED SOUTH AFRICA, WHICH HAD BEEN LONG-TIME  
OBSERVER AND EXPRESSED INTEREST, IN WRITING,  
TO CONTINUE IN THAT CAPACITY). ZANGGER,  
DESPITE PRIOR ADVICE FROM USDEL, INSISTED DURING  
MEETING UPON PUTTING FORWARD VARIOUS FORMULAS  
FOR CONSIDERING ITALY AS MEMBER OF COMMITTEE,  
NOTWITHSTANDING LACK OF EXCHANGE DIPLOMATIC NOTES  
BY ITALY WITH ANY MEMBER AND LACK OF SUBMISSION OF "ANNUAL  
RETURNS" ON EXPORTS OF TRIGGER LISTS ITEMS, AS  
CALLED FOR IN MEMORANDA. USDEL INSISTED THAT  
RECORD OF SEPT. 3 MEETING REFLECT USG VIEW THAT  
MEMBERS OF COMMITTEE ARE LIMITED TO THOSE GOVERNMENTS  
WHICH HAD EXCHANGED DIPLOMATIC NOTES WITH ALL OTHER  
GOVERNMENTS WHICH HAD MADE SIMILAR EXCHANGES. RE  
QUESTION OF INVITATIONS TO OCT. 28 MEETING,  
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USDEL PROPOSED AND COMMITTEE AGREED THAT ALL SUCH

MEMBERS BE INVITED AND THAT CHAIRMAN, IN CONSULTATION  
WITH MEMBERS, CONSIDER INVITATIONS TO OTHER  
GOVERNMENTS ON CASE-BY-CASE BASIS, TAKING INTO  
ACCOUNT CIRCUMSTANCES SUCH AS INTENTION EXPRESSED  
BY GOVERNMENT TO EXCHANGE NOTES IN NEAR FUTURE.  
AFTER MEETING, ITALIAN RESREP TOLD USDEL THAT HE  
EXPECTED HIS GOVERNMENT TO EXCHANGE NOTES "SOON".

14. AFTER MEETING, USDEL ALSO DISCUSSED WITH  
ZANGGER AND SWISS DEL SITUATION RE SWISS NPT  
RATIFICATION. UPPER HOUSE HAS ALREADY APPROVED.  
COMMITTEE OF LOWER HOUSE HAS SCHEDULED HEARINGS  
NOVEMBER 3 AND WILL ISSUE REPORT SHORTLY THEREAFTER.  
IF REPORT FAVORABLE, LOWER HOUSE WILL VOTE IN  
DECEMBER (SEE REF D). ZANGGER EXPRESSED CONCERN  
THAT IF, AT OCTOBER 28 MEETING, COMMITTEE AGREES  
TO EXTEND SCOPE OF ITS INTERESTS BEYOND THAT SET FORTH  
IN NPT ART. III(2), SWISS CRITICS OF NPT WILL HAVE  
OPPORTUNITY TO ARGUE THAT ADHERENCE TO NPT OPENS  
DOOR TO UNFORESEEN LIMITATIONS ON EXPORT TRADE.  
SUCH ARGUMENT COULD AFFECT ADVERSELY OUTCOME OF  
NOV. 3 HEARINGS. HE AGREED THAT, FROM SWISS STANDPOINT,  
IT WOULD BE BEST IF OCT. 28 MEETING OF COMMITTEE  
AVOIDED REACHING FINAL DECISION AND SCHEDULED LATER  
MEETING, AFTER DECEMBER, FOR THAT PURPOSE.

15. AS NOTED ABOVE, USSR DEL HAD ALREADY EXPRESSED SKEPTICISM TO USDEL THAT ONE-DAY FORMAL MEETING OCT. 28 WOULD BE SUFFICIENT TO REACH AGREEMENT AMONG MEMBERS OF COMMITTEE. OTHER DELS FROM NSG MEMBER COUNTRIES HAVE QUESTIONED WHETHER IT WOULD BE POSSIBLE OR DESIRABLE FOR COMMITTEE TO TAKE DECISIONS AT OCT. 28 MEETING ON ITS FUTURE STATUS AND OBJECTIVES PRIOR TO NSG MEETING IN NOVEMBER.

16. IN LIGHT OF FOREGOING CONSIDERATIONS, MISSION SUGGESTS THAT THE ONLY DECISION AT OCT. 28 MEETING  
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SHOULD CONCERN MODIFICATION OF TRIGGER LIST. QUESTIONS OF EXPORT OF TECHNOLOGY, FUTURE STATUS, OBJECTIVES, ETC., GOING BEYOND STRICT NPT REQUIREMENTS COULD BE DISCUSSED, BUT DECISIONS SHOULD BE DEFERRED UNTIL AFTER VARIOUS VIEWS EXPRESSED AT OCT. 28 MEETING ARE CONSIDERED. LATER MEETING, E.G., IN JANUARY, COULD THEN BE SCHEDULED, FOR PURPOSE OF FINAL DECISIONS ON THOSE QUESTIONS.

17. MISSION RECOGNIZES THAT SUBSTANTIAL MAJORITY OF COMMITTEE ARE ALREADY MEMBERS OF NSG. AUSTRIA, AUSTRALIA, NORWAY, DENMARK, FINLAND AND SWITZERLAND ARE NOT, HOWEVER, AND ONE OR MORE COULD OPT OUT IF COMMITTEE EXPANDS ITS SCOPE BEYOND NPT. MOREOVER, COMMITTEE MEMBERSHIP UNLIKE NSG, IS OPEN-ENDED AND ANY OTHER GOVERNMENT WHICH CONSIDERS ITSELF POTENTIAL SUPPLIER IS FREE TO JOIN. ESTABLISHED FORMAL PROCEDURE OF EXCHANGE OF NOTES AND IAEA PUBLICATION IN INFCIRC/209 OF PUBLIC INDIVIDUAL DECLARATIONS RE COMMON EXPORT POLICIES MAY ALSO BE VALUABLE TO RETAIN. (NOTE THAT INFCIRC/209 INCLUDES EXPLICIT REFERENCE TO OBLIGATIONS ARISING FROM NPT ART. III.2) SUBMISSION OF "ANNUAL RETURN", AS CALLED FOR IN COMMITTEE MEMORANDA, MAY ALSO BE VALUABLE FEATURE NOT FOUND IN NSG.

18. THUS, IT MAY BE USEFUL TO RETAIN NPT EXPORTERS COMMITTEE STRUCTURE, EVEN IF ALL MEMBERS ULTIMATELY BECOME MEMBER OF LONDON NSG. IF IT IS FOUND USEFUL TO CONTINUE FUNCTIONING, IT WOULD APPEAR ADVANTAGEOUS FOR COMMITTEE TO LIMIT ITS SCOPE TO NPT ART.III.2, AND MERELY MAINTAIN IDENTIFY OF ITS TRIGGER LIST

WITH THAT OF NSG. COMMITTEE DOES NOT MEET OFTEN,  
SEPTEMBER 3 MEETING WAS FIRST IN TWO YEARS.  
PRESUMABLY, DATE WILL BE SET DURING OCTOBER 28  
(OR LATER) MEETING FOR NEXT REVIEW, TWO YEARS OR  
SO HENCE. MEETING OC COMMITTEE, HOWEVER, IS  
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SUBJECT TO CALL BY ANY MEMBER WHICH CONSIDERS  
ITS COMPETITIVE INTEREST TO BE AFFECTED  
BY CONDITIONS RE EXPORTS OF TRIGGER LIST  
ITEM BY ANY OTHER COUNTRY, WHETHER MEMBER  
OR NOT. (THIS MAY ITSELF BE A USEFUL FEATURE  
TO RETAIN.) CONTINUED EXISTENCE OF NPT  
EXPORTERS COMMITTEE IN PARALLEL WITH LONDON NSG  
IS THUS UNLIKELY TO INVOLVE SIGNIFICANT BURDEN ON MEMBERS,  
EXCEPT FOR SOME WORK BY UK MISSION, WHICH RECEIVES  
AND DISTRIBUTES "ANNUAL RETURNS" AND WOULD  
COORDINATE EXCHANGE OF NOTES, ETC., BY NEW  
MEMBER.

19. IT IS CLEAR THAT CONSULTATIONS PRIOR OCT. 28  
WITH OTHER MEMBERS OF COMMITTEE, PARTICULARLY  
THOSE WHICH ARE ALSO IN NSG, WILL BE REQUIRED.

WE ASSUME DEPT WILL COORDINATE. LABOWITZ

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 10 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
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